

**Title 24-A: MAINE INSURANCE CODE**  
**Chapter 41: PROPERTY INSURANCE CONTRACTS**

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**Maine Revised Statutes**  
**Title 24-A: MAINE INSURANCE CODE**  
**Chapter 41: PROPERTY INSURANCE CONTRACTS**

**Subchapter 1: STANDARD FIRE POLICY**

**§3001. CONTRACTS SUBJECT TO GENERAL PROVISIONS**

All contracts of property insurance covering subjects located in this State are subject to this chapter, to the applicable provisions of chapter 27 (the insurance contract) and to other applicable provisions of this Title. [1969, c. 132, §1 (NEW).]

**SECTION HISTORY**

1969, c. 132, §1 (NEW).

**§3002. STANDARD FIRE POLICY REQUIRED; EXCEPTIONS**

1. No insurer may issue fire insurance policies on property in this State other than those of the Maine standard fire insurance policy which shall contain the following consideration and insuring clause, assignment clause and the general conditions and stipulations set forth after these consideration, insuring and assignment clauses:

**Consideration and Insuring Clause**

In Consideration of the Provisions and Stipulations herein or added hereto and of the premium above specified, this Company, for the term of ..... from ..... at 12:01 a.m. (Standard Time) to ..... at 12:01 a.m. (Standard Time) at location of property involved, to an amount not exceeding the amount(s) above specified, does insure ..... and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described herein while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

**Assignment Clause**

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

**General Conditions and Stipulations**

Concealment, fraud. This entire policy shall be void if, whether before or after a loss, the insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

Uninsurable and excepted property. This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities; nor, unless specifically, named hereon in writing, bullion or manuscripts.

Perils not included. This Company shall not be liable for loss by fire or other perils insured against in this policy caused, directly or indirectly by: (a) enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any of the perils excluded by this policy; (i) neglect of the insured to use all reasonable means to save and preserve the property at and after a loss, or when the property is endangered by fire in neighboring premises; (j) nor shall this Company be liable for loss by theft.

Other insurance. Other insurance may be prohibited or the amount of insurance may be limited by endorsement attached hereto.

Conditions suspending or restricting insurance. Unless otherwise provided in writing added hereto this Company shall not be liable for loss occurring (a) while the hazard is increased by any means within the control or knowledge of the insured; or

(b) while a described building, whether intended for occupancy by owner or tenant, is vacant or unoccupied beyond a period of sixty consecutive days; or (c) as a result of explosion or riot, unless fire ensues, and in that event for loss by fire only.

Other perils or subjects. Any other peril to be insured against or subject of insurance to be covered in this policy shall be by endorsement in writing hereon or added hereto.

Added provisions. The extent of the application of insurance under this policy and of the contribution to be made by this Company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provision may be waived except such as by the terms of this policy is subject to change.

Waiver provisions. No permission affecting this insurance shall exist, or waiver of any provision be valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part of this Company relating to appraisal or to any examination provided for herein.

Cancellation of policy. This policy shall be cancelled at any time at the request of the insured, in which case this Company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. This policy may be cancelled at any time by this Company by giving to the insured a ten days' written notice of cancellation with or without tender of the excess of paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand.

Mortgagee interests and obligations. If loss hereunder is made payable, in whole or in part, to a designated mortgagee not named herein as the insured, such interest in this policy may be cancelled by giving to such mortgagee a ten days' written notice of cancellation.

If the insured fails to render proof of loss such mortgagee, upon notice, shall render proof of loss in the form herein specified within sixty (60) days thereafter and shall be subject to the provisions hereof relating to appraisal and time of payment and of bringing suit. If this Company shall claim that no liability existed as to the mortgagor or owner, it shall, to the extent of payment of loss to the mortgagee, be subrogated to all the mortgagee's rights of recovery, but without impairing mortgagee's right to sue; or it may pay off the mortgage debt and require an assignment thereof and of the mortgage. Other provisions relating to the interests and obligations of such mortgagee may be added hereto by agreement in writing.

Pro rata liability. This Company shall not be liable for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved, whether collectible or not.

Requirements in case loss occurs. The insured shall give immediate written notice to this Company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed; and within sixty days after the loss, unless such time is extended in writing by this Company, the insured shall render to this Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: The time and origin of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and, if required, verified plans and specifications of any building, fixtures or machinery destroyed or damaged. The insured, as often as may be reasonably required, shall exhibit to any person designated by this Company all that remains of any property herein described, and submit to examinations under oath by any person named by this Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this Company or its representative, and shall permit extracts and copies thereof to be made.

Appraisal. In case the insured and this Company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon such umpire, then, on request of the insured or this Company, such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and, failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with this Company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting that appraiser and the expenses of appraisal and umpire shall be paid by the parties equally.

Company's options. It shall be optional with this Company to take all, or any part, of the property at the agreed or appraised value, and also to repair, rebuild or replace the property destroyed or damaged with other of like kind and quality within a reasonable time, on giving notice of its intention so to do within thirty days after the receipt of the proof of loss herein required.

Abandonment. There can be no abandonment to this Company of any property.

When loss payable. The amount of loss for which this Company may be liable shall be payable sixty days after proof of loss, as herein provided, is received by this Company and ascertainment of the loss is made either by agreement between the insured and this Company expressed in writing or by the filing with this Company of an award as herein provided.

Suit. No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within two years next after inception of the loss.

Subrogation. This Company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this Company.

[ 1989, c. 316, §1 (AMD) . ]

2. The insurer may use an endorsement or rider attached to its printed policy forms used in other states in order, where necessary, to bring the terms of such form into compliance with the above provisions.

[ 1969, c. 132, §1 (NEW) .]

#### SECTION HISTORY

1969, c. 132, §1 (NEW). 1969, c. 177, §56 (AMD). 1989, c. 316, §1 (AMD).

### §3003. COMBINATION COVERAGES

Any policy or contract otherwise subject to section 3002 (standard fire policy required; exceptions), which includes either on an unspecified basis as to the coverage or for a single premium coverage against the peril of fire and substantial coverage against other perils need not comply with such provisions, provided:

[1969, c. 132, §1 (NEW).]

1. Such policy or contract shall afford coverage, with respect to the peril of fire, not less than the coverage afforded by such Maine standard fire policy;

[ 1969, c. 132, §1 (NEW) .]

2. That such coverage as to the peril of fire shall be made subject without change to the same general provisions and stipulations as those of such standard fire policy;

[ 1969, c. 132, §1 (NEW) .]

3. The provisions in relation to mortgagee interests and obligations in such standard fire policy shall be incorporated therein without change;

[ 1969, c. 132, §1 (NEW) .]

4. Such policy or contract is complete as to all of its terms without reference to the standard form of fire insurance policy or any other policy;

[ 1969, c. 132, §1 (NEW) .]

5. The superintendent is satisfied that such policy or contract complies with the provisions hereof.

[ 1973, c. 585, §12 (AMD) .]

#### SECTION HISTORY

1969, c. 132, §1 (NEW). 1973, c. 585, §12 (AMD).

### §3004. LINES NUMBERED CONSECUTIVELY

The lines of the conditions of the standard fire insurance policy shall be numbered consecutively at the option of the superintendent. [1973, c. 585, §12 (AMD).]

#### SECTION HISTORY

1969, c. 132, §1 (NEW). 1973, c. 585, §12 (AMD).

## §3004-A. ACTUAL CASH VALUE

**1. Actual cash value.** "Actual cash value", as used in section 3002, means the replacement cost of an insured item of property at the time of loss, less the value of physical depreciation as to the item damaged. "Physical depreciation" means a value as determined according to standard business practices.

[ 1989, c. 316, §2 (NEW) .]

### SECTION HISTORY

1989, c. 316, §2 (NEW).

## §3005. CANCELLATION OF STANDARD FIRE POLICY FOR NONPAYMENT OF PREMIUM

An insurer issuing fire insurance policies on property in this State, under the standard form required by section 3002, may cancel any such policy in the manner provided by law without tendering to the assured a ratable proportion of the premium, if the premium has not been paid to the insurer or its agent, or to a duly licensed insurance broker through whom the contract of insurance was negotiated. [1969, c. 132, §1 (NEW) .]

### SECTION HISTORY

1969, c. 132, §1 (NEW).

## §3006. WILLFUL VIOLATIONS

Any insurer or agent who shall make, issue or deliver a policy of fire insurance in willful violation of sections 3002 or 3003 shall forfeit for each offense not less than \$50 nor more than \$200, but the policy shall nevertheless be binding upon the insurer issuing the same. [1969, c. 132, §1 (NEW) .]

### SECTION HISTORY

1969, c. 132, §1 (NEW).

## §3007. CANCELLATION AND NONRENEWAL

**1.** As used in this section, unless the context indicates otherwise, the following terms have the following meanings.

A. "Cancellation" means termination of a policy at a date other than its expiration date. [1985, c. 671, §2 (NEW) .]

B. "Expiration date" means the date upon which coverage under a policy ends. It also means, for a policy written for a term longer than one year or with no fixed expiration date, each annual anniversary date of the policy. [1985, c. 671, §2 (NEW) .]

C. "Nonpayment of premium" means the failure or inability of the named insured to discharge any obligation in connection with the payment of premium on a policy of insurance subject to this section, whether the payments are payable directly to the insurer or its agent or indirectly payable under a premium finance plan or extension of credit. [1985, c. 671, §2 (NEW) .]

D. "Nonrenewal" means termination of a policy at its expiration date. [1985, c. 671, §2 (NEW) .]

E. "Renewal" or "to renew" means the issuance of, or the offer to issue by an insurer or an affiliate of an insurer, a policy succeeding a policy previously issued and delivered by the same insurer or an affiliated insurer or the issuance of a certificate or notice extending the terms of an existing policy for a specified period beyond its expiration date. For purposes of this section, the transfer of a policy from an insurer to an affiliate is considered a policy renewal. [2005, c. 114, §3 (AMD).]

[2005, c. 114, §3 (AMD).]

2. Except as provided by subsection 8, no contract of property insurance may be cancelled by an insurer prior to the expiration of the policy, except for one or more of the following grounds:

A. Nonpayment of premium; [1985, c. 671, §2 (NEW).]

B. Fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining the policy, continuing the policy or in presenting a claim under the policy; [1985, c. 671, §2 (NEW).]

C. Substantial change in the risk which increases the risk of loss after insurance coverage has been issued or renewed, including, but not limited to, an increase in exposure due to regulation, legislation or court decision; [1985, c. 671, §2 (NEW).]

D. Failure to comply with reasonable loss control recommendations; [1985, c. 671, §2 (NEW).]

E. Substantial breach of contractual duties, conditions or warranties; or [1985, c. 671, §2 (NEW).]

F. Determination by the superintendent that the continuation of a class or block of business to which the policy belongs will jeopardize a company's solvency or will place the insurer in violation of the insurance laws of this State or any other state. [1985, c. 671, §2 (NEW).]

The grounds listed in paragraphs A to E shall be contained in all policies issued, issued for delivery or renewed on or after the effective date of this section. Insurers shall have 30 days from the effective date of this section to notify insureds of these grounds for cancellation on policies issued or issued for delivery before the effective date of this section.

[1985, c. 671, §2 (NEW).]

3. If a policy has been issued for a term longer than one year and, for additional premium consideration, a premium has been guaranteed, the insurer may not refuse to renew or increase the policy premium for the term of that policy.

[1985, c. 671, §2 (NEW).]

4. If an insurer offers or purports to renew a contract, but on less favorable terms to the insured or at higher rates, and a higher rating plan, the new terms or rates and rating plan may take effect on the renewal date if the insurer has provided the insured notice as required by this section. If the insurer has not so notified the contract holder, the contract holder may elect to cancel the renewal policy within the 30-day period after receipt of the notice or delivery. Earned premium for the period of coverage for such time as the renewal contract may have been in force shall be calculated pro rata at the lower of the current or previous year's rate. If the insured accepts the renewal, the premium increase, if any, and other changes shall be effective immediately following the prior policy's expiration or anniversary date. This section does not apply if the change is a rate, form or plan filed with the superintendent and applicable to the entire class of business to which the policy belongs or to a premium increase based on the altered nature or extent of the risk insured against.

[1985, c. 671, §2 (NEW).]



5. Cancellation or nonrenewal is not effective until notice is received by the insured as follows.

A. To the extent that section 3002 is applicable, the notice of cancellation shall be given as provided for in that section. If section 3002, is not applicable, cancellation shall not be effective prior to 10 days after receipt by the insured of a notice of cancellation. The notice shall state the effective date of and the reason or reasons for cancellation. [1985, c. 671, §2 (NEW).]

B. Nonrenewal subject to this section is not effective prior to 30 days after receipt of written notice by the insured. Prior to the date of renewal of a policy that has been transferred by an insurer to an affiliate, the insured must receive notice of any changes to the terms of the policy that are less favorable to the insured. [2009, c. 415, Pt. A, §13 (AMD).]

C. A post-office certificate of mailing to the named insured at his last known address shall be conclusive proof of receipt of notice on the 3rd calendar day after mailing. [1985, c. 671, §2 (NEW).]

[ 2009, c. 415, Pt. A, §13 (AMD) .]

6. Any insured who has received a notice of an insurer's intent to cancel a policy may, within 45 days of the receipt of the notice, request a hearing before the superintendent. The purpose of this hearing shall be limited to establishing the existence of the proof or evidence given by the insurer in its notice of cancellation. The burden of proof of the reason for cancellation shall be upon the insurer. The superintendent shall have the authority to order that a policy remain in force both pending and, if the superintendent finds in favor of the insured, subsequent to a hearing. If the superintendent finds in favor of the insurer at a hearing, the superintendent may order the policy to remain in force for 14 days to allow the insured to obtain other coverage.

[ 1989, c. 172, §6 (AMD) .]

7. Except as provided in Title 10, chapter 209-B, no insurer or licensed agent or employee of the insurer may be held liable in any civil action for statements made in a notice of cancellation or nonrenewal or at a hearing held under this section if the statements were made in good faith and, in the case of cancellation, are reasonably related to the grounds for cancellation.

[ 2013, c. 588, Pt. C, §14 (AMD) .]

8. This section does not apply to any insurance policy that has not been previously renewed if the policy has been in effect less than 60 days at the time notice of cancellation is mailed or otherwise delivered, except as provided in subsection 1, paragraph A and subsection 5, paragraphs A and C. This section does not apply to any policy subject to subchapter 5. This section does not apply to any policy issued pursuant to any assigned risk plan. The superintendent may suspend, in whole or in part, the applicability of this section to any insurer if, in the superintendent's discretion, its application will endanger the ability of the insurer to fulfill its contractual obligation.

[ 2007, c. 188, Pt. C, §8 (AMD) .]

9. This section applies to all contracts of property insurance, except surplus lines contracts, delivered or issued for delivery in this State, both before and after the effective date of this section. Provisions in this section relating to nonrenewal of policies shall take effect 30 days after the effective date of this section.

[ 1989, c. 172, §6 (AMD) .]

#### SECTION HISTORY

1985, c. 671, §2 (NEW). 1989, c. 172, §6 (AMD). 1991, c. 25, §2 (AMD). 2005, c. 114, §§3,4 (AMD). 2007, c. 188, Pt. C, §8 (AMD). 2009, c. 415, Pt. A, §13 (AMD). 2013, c. 588, Pt. C, §14 (AMD).

## Subchapter 2: DEPOSIT NOTES

### **§3020. POLICY AND DEPOSIT NOTE ONE CONTRACT; INSOLVENCY; LIABILITY OF INSURED; NOTE SURRENDERED**

1. A policy of insurance issued by a fire or marine insurer, domestic or foreign, and a deposit note given therefor are one contract. A loss under such policy or other equitable claims may be proved in defense to the note, though it was indorsed or assigned before it was due.

[ 1969, c. 132, §1 (NEW) .]

2. When an insurer becomes insolvent, the maker of the note is only liable for the equitable proportion thereof which accrued during the solvency. If the insolvency occurs within 60 days of the date of the note, it is void except for the amount of the maker's claim, if any, on the insurer. No insured shall be held to contribute to any losses or expenses beyond the amount of his deposit note. At the expiration of his term of insurance, his note, on payment of all assessments for which it is liable, shall be relinquished to him, except as provided in section 3021.

[ 1969, c. 132, §1 (NEW) .]

#### SECTION HISTORY

1969, c. 132, §1 (NEW).

### **§3021. LIEN ON INSURED REAL ESTATE**

Any fire insurer shall have a lien against the insured, on the buildings insured and the land appurtenant thereto, for the amount at any time due on the note referred to in section 3020, to commence from the time of the recording of the same, and to continue 60 days after the expiration of the policy on which such note is given, if the insurer causes a certificate of its claim to such lien, signed by the secretary, to be recorded by the register of deeds for the county or district. During the pendency of such lien, an attachment of such property, in a civil action on the note in favor of the insurer, has priority of all other attachments or claims. Execution, when recovered, may be levied on it accordingly. [1969, c. 132, §1 (NEW) .]

#### SECTION HISTORY

1969, c. 132, §1 (NEW).

### **§3022. LIEN CONTINUES ON DECEASED'S PROPERTY; POLICY DESCENDS TO ESTATE**

Upon the death of a member, the lien of the insurer remains good on the property insured to the amount due on the deposit note, and the policy descends to the executor or administrator of the deceased for the benefit of the estate during its continuance, unless voluntarily surrendered or forfeited by the charter of the insurer. [1969, c. 132, §1 (NEW) .]

#### SECTION HISTORY

1969, c. 132, §1 (NEW).

## Subchapter 3: LIEN OF MORTGAGEES ON POLICIES

### **§3030. LIEN ESTABLISHED; APPLICATION OF PAYMENTS**

The mortgagee of any real estate or the mortgagee of any personal property shall have a lien upon any policy of insurance against loss by fire procured thereon by the mortgagor, to take effect from the time he files with the insurer, at its home office, a written notice, briefly describing his mortgage, the estate conveyed thereby and the sum remaining unpaid thereon. If the mortgagor, by a writing by him signed and filed with the

secretary, consents that the whole of the sum secured by the policy, or so much as is required to discharge the amount due on the mortgage at the time when a loss occurs, shall be applied to the payment of the mortgage, it shall be so paid by the insurer and the mortgagee's receipt therefor shall be a sufficient discharge of the insurer. [1969, c. 132, §1 (NEW).]

SECTION HISTORY

1969, c. 132, §1 (NEW).

### **§3031. ENFORCEMENT OF LIEN**

If the mortgagor does not consent as provided for in section 3030, the mortgagee of any real estate may, at any time within 60 days after a loss, and the mortgagee of any personal property may at any time within 30 days after a loss, enforce his lien by a civil action against the mortgagor, and the insurer as his trustee, in which judgment may be rendered for what is found due from the insurer upon the policy, notwithstanding the time of payment of the whole sum secured by the mortgage has not arrived, and which action shall be commenced and service made on the trustee within such 60 or 30 days. [1969, c. 132, §1 (NEW).]

SECTION HISTORY

1969, c. 132, §1 (NEW).

### **§3032. APPLICATION OF AMOUNT RECOVERED**

The amount recovered under section 3031 shall be applied first to the payment of the costs of the civil action and officer's fees on the execution and next to the payment of the amount due on the mortgage. The balance, if any, shall be retained by the insurer and paid to the mortgagor. If the insurer assumes the defense, it shall be liable to the plaintiff for costs in the same manner as the principal defendant, defending the action, would be. [1969, c. 132, §1 (NEW).]

SECTION HISTORY

1969, c. 132, §1 (NEW).

### **§3033. PRIORITY OF MORTGAGEES**

When 2 or more mortgagees claim the benefit of sections 3030 to 3032, their rights shall be determined according to the priority of their claims and mortgages by the principles of law. [1969, c. 132, §1 (NEW).]

SECTION HISTORY

1969, c. 132, §1 (NEW).

### **§3034. MORTGAGEE'S POLICY VOID, UNLESS CONSENTED TO**

When any mortgagee claims the benefit of sections 3030 to 3033, any policy of insurance which he had procured or subsequently procures on his interest in the same property by virtue of his mortgage is void, unless consented to by the insurer insuring the mortgagor's interest. [1969, c. 132, §1 (NEW).]

SECTION HISTORY

1969, c. 132, §1 (NEW).

## **Subchapter 4: GENERAL PROVISIONS**

## §3040. INSURANCE ON FURNITURE, OWNED JOINTLY BY HUSBAND AND WIFE

Insurance effected by a husband or wife on a dwelling house owned by the insured and on the furniture therein is valid for all the furniture, although part is owned by the husband and part by the wife. [1969, c. 132, §1 (NEW).]

### SECTION HISTORY

1969, c. 132, §1 (NEW).

## §3041. TIME LIMIT FOR ADJUSTING, PAYING FIRE LOSS; PENALTY

1. In case of physical loss by fire to property insured by any insurer, the insurer or its representative shall begin adjustment of such loss within 20 days after the receipt of the notice of loss provided for by the policy.

[1969, c. 132, §1 (NEW) .]

2. In any statute relating to fire insurance or in any policy of fire insurance, reference to the date of loss or the time when a loss occurs shall mean the day of the fire against which the policy insures.

[1969, c. 132, §1 (NEW) .]

### SECTION HISTORY

1969, c. 132, §1 (NEW).

## §3042. LOSS INFORMATION TO BE SUPPLIED

1. **Request for information.** Every insurer shall provide loss information concerning an insurance policy to its insured within 30 calendar days of the receipt of a written request from the insured or an insurance agent or other authorized representative of the insured. An insurer may not cancel or refuse to renew an insurance policy for the nonpayment of premium during any period within which the insurer fails to provide the loss information requested under this section, unless the insured requests that information fewer than 45 calendar days prior to the expiration date of the insurance policy.

[1989, c. 696, §2 (NEW) .]

2. **Transmittal of request.** If an insured requests loss information from an insurance agent or an authorized representative of the insured, the representative or agent shall transmit the request for loss information to the insurer within 4 working days.

[1989, c. 696, §2 (NEW) .]

3. **Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Insurance policy" means the insurance policy relating to the loss information requested pursuant to this section. [1989, c. 696, §2 (NEW).]

B. "Loss information" means the following items: the name of the insured, the date of the loss, the date the claim was received by the insurer, a description of the loss, any amount paid by the insurer on account of the loss, any amount reserved for the loss and whether the claim is open or closed. [1989, c. 696, §2 (NEW).]

[ 1989, c. 696, §2 (NEW) .]

#### SECTION HISTORY

1989, c. 696, §2 (NEW).

## Subchapter 5: MAINE PROPERTY INSURANCE CANCELLATION CONTROL ACT

### **§3048. SCOPE OF SUBCHAPTER**

This subchapter shall apply to policies of insurance, other than automobile insurance and workers' compensation insurance, on risks located or resident in this State which are issued and take effect or which are renewed after the effective date of this subchapter and insuring against any of the following: [1989, c. 502, Pt. A, §99 (AMD).]

1. Loss of or damage to real property which is used solely for residential purposes and which consists of not more than 4 apartments and which is owner-occupied;

[ 1973, c. 239, (NEW) .]

2. Loss of or damage to personal property in which natural persons resident in specifically described real property of the kind described in subsection 1 have an insurable interest, except personal property used in the conduct of a commercial or industrial enterprise;

[ 1973, c. 239, (NEW) .]

3. Legal liability of a natural person or persons for loss of, damage to or injury to persons or property, but not including policies primarily insuring risks arising from the conduct of a commercial or industrial enterprise.

[ 1973, c. 239, (NEW) .]

Any policy written for a term longer than one year or with no fixed expiration date shall be considered, for purposes of this subchapter, written for successive policy terms of one year. [1979, c. 411, §1 (NEW).]

#### SECTION HISTORY

1973, c. 239, (NEW). 1979, c. 411, §1 (AMD). 1989, c. 502, §A99 (AMD).

### **§3048-A. HEARINGS**

Unless otherwise specified, all hearings held under this subchapter shall conform to the procedures set forth in the Maine Administrative Procedure Act, Title 5, chapter 375, subchapter IV. [1977, c. 694, §427 (NEW).]

#### SECTION HISTORY

1977, c. 694, §427 (NEW).

**§3049. NOTICE OF CANCELLATION; REASONS**

No policy may be cancelled except by notice to the insured as provided in this subchapter. No notice of cancellation of a policy shall be effective unless it is based on one or more of the following reasons: [1973, c. 239, (NEW).]

1. Nonpayment of premium, including nonpayment of any additional premiums, calculated in accordance with the current rating manual of the insurer, justified by a physical change in the insured property or a change in its occupancy or use. A notice of cancellation for nonpayment of premium is not effective unless deemed received under section 3050 after the premium due date;

[ 2007, c. 188, Pt. C, §9 (AMD) .]

2. Conviction of the named insured of a crime having as one of its necessary elements an act increasing any hazard insured against;

[ 1973, c. 239, (NEW) .]

3. Discovery of fraud or material misrepresentation by any one of the following:

A. The insured or the insured's representative in obtaining the insurance; or [2003, c. 671, Pt. A, §3 (AMD).]

B. The named insured in pursuing a claim under the policy; [1973, c. 239, (NEW).]

[ 2003, c. 671, Pt. A, §3 (AMD) .]

4. Discovery of either:

A. Negligent acts or omissions by the insured substantially increasing any of the hazards insured against; or [2003, c. 671, Pt. A, §4 (NEW).]

B. A failure to disclose a material fact in relation to the application for insurance that would, if coverage is effectuated without knowledge by the insurer, substantially alter the terms of the policy; [2003, c. 671, Pt. A, §4 (NEW).]

[ 2003, c. 671, Pt. A, §4 (RPR) .]

5. Physical changes in the insured property that result in the property becoming uninsurable;

[ 2003, c. 671, Pt. A, §5 (AMD) .]

6. The insured property is vacant and custodial care is not maintained on the property;

[ 2003, c. 671, Pt. A, §6 (NEW) .]

7. The presence of a trampoline on the premises if the insured is notified that the policy will be cancelled if the trampoline is not removed and the trampoline, after notice, remains on the property 30 or more days after the date of notice;

[ 2003, c. 671, Pt. A, §6 (NEW) .]

8. The presence of a swimming pool upon the insured property that is not fenced in, in accordance with the standards established in Title 22, section 1631, if the pool remains in noncompliance with those standards for 30 days after notice by the insurer of the defective condition and intent to cancel the policy;

[ 2003, c. 671, Pt. A, §6 (NEW) .]

9. A loss occasioned by a dog bite, unless, after notice of cancellation or nonrenewal is received, the insured removes the dog; or

[ 2003, c. 671, Pt. A, §6 (NEW) .]

10. Failure to comply with reasonable loss control recommendations within 90 days after notice from the insurer.

[ 2003, c. 671, Pt. A, §6 (NEW) .]

This section does not apply to any policy or coverage that has been in effect less than 90 days at the time notice of cancellation is received by the named insured, or 120 days in the case of residential property that is expected to be continuously unoccupied for 3 months in any 12-month period and that is other than the insured's primary residence, unless it is a renewal policy. An insured does not have the right to a hearing before the Superintendent of Insurance for the purpose of contesting cancellation of a new policy that has been in force less than 90 days or 120 days in the case of residential property other than the insured's primary residence that is expected to be continuously unoccupied for 3 months in any 12-month period. [2003, c. 671, Pt. A, §7 (AMD).]

This section shall not apply to the nonrenewal of a policy. [1977, c. 414, §1 (NEW).]

"Nonpayment of premium" means failure of the named insured to discharge when due any of his obligations in connection with the payment of premium on the policy, or any installment of a premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit. [1979, c. 35, (NEW).]

#### SECTION HISTORY

1973, c. 239, (NEW). 1977, c. 414, §1 (AMD). 1979, c. 35, (AMD). 1979, c. 347, §§8,9 (AMD). 1979, c. 411, §2 (AMD). 1979, c. 663, §§150,151 (AMD). 2003, c. 671, §§A3-7 (AMD). 2007, c. 188, Pt. C, §9 (AMD).

### §3050. DELIVERY OF NOTICE

A notice of cancellation of a policy is not effective unless received by the named insured at least 20 days prior to the effective date of cancellation, or, when the cancellation is for nonpayment of premium, at least 10 days prior to the effective date of cancellation. Like notice must also be given to any party named as mortgagee on the policy. A postal service certificate of mailing to the named insured at the insured's last known address is conclusive proof of receipt on the 5th calendar day after mailing. [2007, c. 188, Pt. C, §10 (AMD).]

Except for a policy that has been in effect for less than 90 days at the time notice of cancellation is received by the named insured, the reason for cancellation must accompany the notice, together with a notice of the right to apply for a hearing before the superintendent within 30 days, as provided in section 3054. [2007, c. 188, Pt. C, §10 (AMD).]

#### SECTION HISTORY

1973, c. 239, (NEW). 1973, c. 585, §12 (AMD). 1977, c. 414, §§2,3 (AMD). 1979, c. 347, §§10,11 (AMD). 1989, c. 172, §7 (AMD). 2005, c. 114, §5 (AMD). 2007, c. 188, Pt. C, §10 (AMD).

### §3051. NOTICE OF INTENT

An insurer may not fail to renew a policy except by notice to the insured as provided in this subchapter. A notice of intention not to renew is not effective unless received by the named insured at least 30 days prior to the expiration date of the policy. Like notice must also be given to any party named as mortgagee on the policy. A post office certificate of mailing to the named insured at the insured's last known address

is conclusive proof of receipt on the 3rd calendar day after mailing. The reason must accompany the notice of intent not to renew, together with notification of the right to apply for a hearing before the superintendent within 30 days as provided. [2007, c. 188, Pt. C, §11 (AMD).]

The reason or reasons for the intended nonrenewal action must accompany the notice of intent not to renew and the reason or reasons must be explicit. Explanations such as "underwriting reasons," "underwriting experience," "loss record," "location of risk," "credit report" and similar insurance terms are not by themselves acceptable explanations of an insurer's intended nonrenewal of a policy insuring property of the kind defined in section 3048. The reason for nonrenewal must be a good faith reason and related to the insurability of the property or a ground for cancellation pursuant to section 3049. [2003, c. 671, Pt. A, §8 (AMD).]

This section does not apply: [2003, c. 671, Pt. A, §8 (AMD).]

**1.** If the insurer has manifested its willingness to renew;

[2005, c. 114, §6 (AMD).]

**2.** If the insured fails to pay any premium due or any advance premium required by the insurer for renewal; or

[2005, c. 114, §7 (AMD).]

**3.** If the insurer has transferred a policy to an affiliate.

[2007, c. 188, Pt. C, §11 (AMD).]

Prior to the date of renewal of a policy that has been transferred by an insurer to an affiliate, the insured must receive notice of any changes to the terms of the policy that are less favorable to the insured. [2007, c. 188, Pt. C, §11 (NEW).]

#### SECTION HISTORY

1973, c. 239, (NEW). 1973, c. 585, §12 (AMD). 1977, c. 414, §§4,5 (AMD). 1979, c. 144, (AMD). 1979, c. 347, §12 (AMD). 2003, c. 671, §A8 (AMD). 2005, c. 114, §§6-8 (AMD). 2007, c. 188, Pt. C, §11 (AMD).

## §3052. DUPLICATE COVERAGE

If an insured obtains a replacement policy which provides equal or more extensive coverage for any property designated in both policies, the first insurer's coverage of such property may be terminated by failure to renew as of the effective time and date of the replacement policy, whether or not the first insurer complies with all provisions of section 3051. [1973, c. 239, (NEW).]

#### SECTION HISTORY

1973, c. 239, (NEW).

## §3053. RENEWAL NOT A WAIVER OR ESTOPPEL

Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of renewal. [1973, c. 239, (NEW).]

#### SECTION HISTORY

1973, c. 239, (NEW).



### §3054. HEARING BEFORE SUPERINTENDENT OF INSURANCE

A named insured who has received a statement of reason for cancellation, or of reason for an insurer's intent not to renew a policy, may, within 30 days of the receipt of a statement of reason, request a hearing before the Superintendent of Insurance. The purpose of this hearing is limited to establishing the existence of the proof or evidence used by the insurer in its reason for cancellation or intent not to renew. The burden of proof of the reason for cancellation or intent not to renew is on the insurer. If an insurer's reason for nonrenewal is not based on a ground for cancellation permitted under section 3049, the insurer must provide proof or evidence that the reason for nonrenewal is a good faith reason and related to the insurability of the property. A statement from the insurer that the risk does not meet the insurer's underwriting guidelines alone is not considered sufficient proof or evidence. The superintendent shall adopt rules for carrying out this section. The superintendent may order the policy to continue in effect both pending and, if the superintendent finds in favor of the insured, subsequent to a hearing. If the superintendent finds in favor of the insurer at a hearing, the superintendent may order the policy to remain in force for 14 days to allow the insured to obtain other coverage. [2003, c. 671, Pt. A, §9 (AMD).]

#### SECTION HISTORY

1973, c. 239, (NEW). 1973, c. 585, §12 (AMD). 1979, c. 347, §13 (AMD). 1989, c. 172, §8 (AMD). 2003, c. 671, §A9 (AMD).

### §3055. SUPERINTENDENT'S AUTHORITY TO SUSPEND

In the event of impairment or serious financial difficulty of an insurer or insurers, the superintendent shall have the authority to suspend the provisions of the Maine Property Insurance Cancellation Control Act from applying to the policies of the financially distressed insurer or insurers. [1977, c. 414, §6 (NEW).]

#### SECTION HISTORY

1977, c. 414, §6 (NEW).

### §3055-A. DISCONTINUANCE OF A LINE OF BUSINESS

If an insurer files a plan with the superintendent to discontinue business in a line of insurance subject to this subchapter, the superintendent may authorize the nonrenewal of policies in that line of business if the plan filed by the insurer demonstrates the availability of substantially similar coverage in the admitted market. The nonrenewal of a policyholder pursuant to this section may not be considered by an insurer in future coverage determinations. An insurer may resume transacting business in a line of insurance discontinued pursuant to this section upon written notification to the superintendent. [2005, c. 49, §2 (AMD).]

#### SECTION HISTORY

1995, c. 544, §10 (NEW). 2005, c. 49, §2 (AMD).

### §3056. NONLIABILITY FOR CERTAIN STATEMENTS

**1. Notices.** Except as provided in Title 10, chapter 209-B, no insurer or licensed agent or employee of the insurer may be held liable in any civil action for statements made in a notice of cancellation or intent not to renew under this chapter if:

- A. The statements were made in good faith; [1979, c. 112, §2 (NEW).]
- B. The statements are reasonably related to the reason for cancellation or intent not to renew; and [1979, c. 112, §2 (NEW).]

C. In the case of a notice of cancellation, the reason for cancellation is a reason permitted under section 3049. [1979, c. 112, §2 (NEW).]

[ 2013, c. 588, Pt. C, §15 (AMD) .]

**2. Hearings.** Except as provided in Title 10, chapter 209-B, no person may be held liable in any civil action for statements made or information given at a hearing held under this chapter if:

A. The statements were made or the information was given in good faith; [1979, c. 112, §2 (NEW) .]

B. The statements or the information are reasonably related to the reason for cancellation or intent not to renew; and [1979, c. 112, §2 (NEW) .]

C. In the case of a hearing held on a notice of cancellation, the reason for cancellation is a reason permitted under section 3049. [1979, c. 112, §2 (NEW) .]

[ 2013, c. 588, Pt. C, §15 (AMD) .]

#### SECTION HISTORY

1979, c. 112, §2 (NEW). 2013, c. 588, Pt. C, §15 (AMD).

### §3057. ACTIONS RELATED TO AGE OF DWELLING PROHIBITED

An insurance company authorized to transact business in this State may not cancel or refuse to issue or renew a property insurance policy subject to this subchapter solely on the basis of the age of the dwelling and without consideration of the current condition of the property. [2003, c. 671, Pt. A, §10 (NEW) .]

#### SECTION HISTORY

2003, c. 671, §A10 (NEW).

### §3058. REFUSAL BASED ON PREVIOUS OWNER'S LOSSES

An insurance company authorized to transact business in this State may not refuse to issue a property insurance policy subject to this subchapter for the sole reason that a previous owner of the property submitted claims for losses to the property. [2003, c. 671, Pt. A, §10 (NEW) .]

#### SECTION HISTORY

2003, c. 671, §A10 (NEW).

### §3059. INSURER VALUATION OF PROPERTY; INCREASE IN PREMIUM; NOTICE

**1. Increase in valuation.** If an insurer determines that the stated insured value of a property covered by a policy subject to this subchapter should be increased to depict more accurately its current value and the increase in valuation will result in an increase in premium for the policy, then the increase in the stated insured value and the corresponding increase in premium may be implemented only at the time of renewal.

[ 2003, c. 671, Pt. A, §10 (NEW) .]

**2. Notice.** If an insurer increases the stated insured value in accordance with subsection 1, then the insurer must provide notice to the named insured on the policy at least 30 days prior to the effective date of the renewal policy stating the reason for the increase in premium and the amount of premium increase

associated with the increase in valuation. The notice also must state that upon written request by the named insured the insurer will disclose the specific reasons and specific property characteristics that contributed to the resulting increase in stated value.

[ 2003, c. 671, Pt. A, §10 (NEW) .]

**3. Exemptions.** This section does not apply to routinely scheduled increases in valuation under the policy based on inflation or to increases in the stated insured value of a property agreed to by the insured.

[ 2003, c. 671, Pt. A, §10 (NEW) .]

#### SECTION HISTORY

2003, c. 671, §A10 (NEW).

## §3060. INSURANCE COVERAGE FOR FAMILY CHILD CARE PROVIDERS

**1. Evidence of business liability insurance.** An insurer may not refuse to issue or renew a policy covering the primary residence of a family child care provider certified under Title 22, section 8301-A, subsection 3 or cancel such policy within the first 90 days of coverage unless the denial of coverage or cancellation is based solely on underwriting factors other than the presence of a family child care business on the premises if the family child care provider has demonstrated satisfactory evidence that the child care business is covered by separate insurance coverage for business liability, including medical payments coverage equivalent to coverage in the policy. For purposes of cancellation or nonrenewal under section 3049 or 3051, an insurer may not treat the presence of the family child care business activity as a factor related to the insurability of the primary residence of a family child care provider certified under Title 22, section 8301-A, subsection 3 if the family child care provider has demonstrated satisfactory evidence that the child care business is covered by separate insurance coverage for business liability in accordance with this subsection.

[ 2009, c. 185, §1 (NEW) .]

**2. No liability under property insurance policy.** An insurer has no duty to defend or indemnify a family child care provider certified under Title 22, section 8301-A, subsection 3 under a policy covering the primary residence of a family child care provider issued by the insurer if:

- A. The loss or damage for which the family child care provider is liable or alleged to be liable arises in whole or in part from the family child care business activity; [ 2009, c. 185, §1 (NEW) .]
- B. The policy issued by the insurer expressly excludes that loss or damage arising from the family child care business activity; [ 2009, c. 185, §1 (NEW) .]
- C. The family child care provider has demonstrated satisfactory evidence of separate insurance coverage for child care business liability in accordance with subsection 1; and [ 2009, c. 185, §1 (NEW) .]
- D. The insurer issuing the policy covering the primary residence has disclosed to the family child care provider that failure to maintain separate insurance coverage for child care business liability might result in cancellation or nonrenewal of the policy covering the primary residence and that the child care business activity is excluded under the policy. [ 2009, c. 185, §1 (NEW) .]

[ 2009, c. 185, §1 (NEW) .]

**3. Effect of cancellation or nonrenewal of business liability policy.** If a family child care provider has demonstrated satisfactory evidence of separate insurance coverage for child care business liability to the insurer as provided in subsection 2, paragraph C, the insurer issuing the policy covering the primary residence continues to have no duty to defend if the insurance policy for child care business liability is cancelled or nonrenewed during the term of the policy covering the primary residence.

[ 2009, c. 185, §1 (NEW) .]

SECTION HISTORY

2009, c. 185, §1 (NEW).

## **§3061. UNIFORM POLICY STANDARDS CONCERNING HURRICANE DEDUCTIBLE PROGRAMS**

The superintendent shall adopt rules establishing procedures and standards for an insurer that uses a hurricane deductible program or programs regarding the applicability of hurricane deductibles. Procedures and standards must include without limitation uniform policy standards and the form of notice that the insurer must provide to the named insured under a policy subject to this subchapter issued by the insurer. Rules adopted pursuant to this section are routine technical rules as defined by Title 5, chapter 375, subchapter 2-A. [2013, c. 38, §1 (NEW) .]

SECTION HISTORY

2013, c. 38, §1 (NEW).

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